

INITIAL STATEMENT OF REASONS

Fee Adjustment

Title 13, Section 423.00

Vehicle Code section 1678 requires the Department of Motor Vehicles (the department) to annually review and adjust a variety of department fees. The fees are to be adjusted in an amount equal to the increase in the California Consumer Price Index for the prior year as calculated by the Department of Finance. The fee would only be increased when the calculated amount equals or is greater than \$0.50 rounded to the next highest whole dollar.

The department proposes to amend Section 423.00 to identify the Vehicle Code sections that authorize each fee identified in Vehicle Code section 1678, the effective date of January 1, 2006, and the amount of each adjusted fee.

423.00 Fee Adjustment.

Subdivision (a)(2) identifies the effective date for the fee adjustment in Sections 423.00(a)(2)(A) through (D) of these regulations. As the regulation may be updated annually, it is necessary to indicate the effective date of the annual adjustment of fees.

Subdivision (a)(2)(A) identifies by statute the fees that will increase to ten dollars (\$10). Subdivision (a)(2)(B) identifies by statute the fees that will increase to thirteen dollars (\$13). Subdivision (a)(2)(C) identifies by statute the fees that will increase to twenty-six dollars (\$26). Subdivision (a)(2)(D) identifies by statute the fees that will increase to thirty-six dollars (\$36).

A costing demonstrating the impact of the increase in the California Consumer Price Index on the calculations for each fee is included as Attachment A. There are forty-one (41) fees identified by statute in Vehicle Code section 1678 for which the calculated amount was less than \$0.50 and for which a fee adjustment was not made.

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